

FISCAL NOTE

SB 21

January 24, 2007

SUMMARY OF BILL: Prohibits waterworks and public sewerage systems from initiating the use of chlorine disinfection systems after July 1, 2007. Any waterworks or sewerage system currently utilizing such a disinfection process must convert to a system approved by the Department of Environment and Conservation by July 1, 2010.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* –
Exceeds \$20,000,000/One-Time
Exceeds \$100,000/FY's 08-10/Recurring
Exceeds \$1,000,000/FY 11 and Thereafter/Recurring

Assumptions:

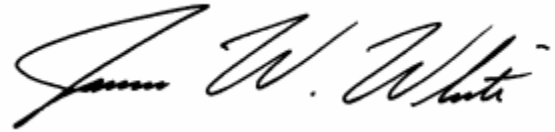
- Approximately 300 water treatment plants and 200 wastewater treatment facilities would be impacted by this legislation.
- Most facilities will opt to treat water utilizing sodium hypochlorite or calcium hypochlorite as a disinfectant.
- Five to ten of the larger treatment plants would choose to generate disinfectant onsite.
- Smaller treatment plants would choose to purchase liquid disinfectant.
- For an average sized plant, there will be a recurring annual increase in expenditures of \$3,000 due to the fact that the cost for liquid disinfectant is approximately 40% higher than the cost for the liquid chlorine currently used at most facilities. As a result, local governments will incur a recurring increase in expenditures exceeding \$1,000,000 ($490 \times \$3,000 = \$1,470,000$). The total amount of such increase will not take place until after July 1, 2010.
- Some local governments will make the change in FY's 08, 09, and 10 resulting in a recurring increase in local government expenditures exceeding \$100,000.

- Capital expenditures and engineering consultation for the new systems will result in a one-time increase in local government expenditures exceeding \$20,000,000 by July 1, 2010.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director